

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 729 – HB 1196

April 3, 2017

SUMMARY OF ORIGINAL BILL: Enacts the *Tennessee Educators Protection Act*. Limits the liability of educational entities and employees. Removes an educational entity's liability for punitive or exemplary damages. Exempts educational employees from liability for punitive or exemplary damages for acts or omissions that occur within the course and scope of the employee's employment. Specifies that an employee who acts with the specific intent to cause harm is not acting within the course and scope of the employee's employment.

Authorizes an educational entity or employee to file a civil action against any person 18 years of age or older who acts with the specific intent to cause harm by making a false accusation of criminal activity against that employee to law enforcement authorities, school district officials, or school district personnel. Any person 18 years of age or older found by a court with jurisdiction over the action to have acted with the specific intent to cause harm by making a false accusation of criminal activity against an employee to law enforcement authorities, school district officials, or school district personnel, may be punished by fine only in an amount not to exceed \$2,000.

Authorizes an educational entity or employee to file a civil action against the parent, guardian, or legal custodian of a student of the educational entity or employee who acts with the specific intent to cause harm to another by making a false accusation of criminal activity against that employee to law enforcement authorities, school district officials, or school district personnel. Subjects requisite students to the following penalties: expulsion; suspension; community service; or any other sanction deemed appropriate by the court. Awards attorney's fees to prevailing educational entities. Limits attorney's fees to 25 percent of any settlement or civil judgment awarded against an educational entity under this part.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent litigation against employees is reduced, there will be a decrease in state expenditures from the Tennessee Educator Liability Fund, as well as a potential decrease to local government expenditures. The extent and timing of any such impacts cannot be reasonably determined for such impacts are dependent upon unknown facts related to such cases.

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SUMMARY OF AMENDMENT (006743): Deletes and rewrites the bill such that the only substantive changes are to: (1) remove the fine for false statements; (2) limit civil action to employees; (3) remove expert witness fees as a cost awarded; and (4) remove the 25 percent limit on attorney's fees.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

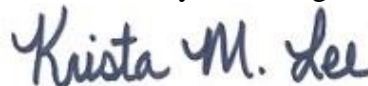
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The Educator Protection Act of 2015 provided additional liability insurance out of appropriations from the General Assembly for claims arising out of the performance of teachers' and student teachers' duties.
- This legislation could limit a student's or parent's right to recover damages caused by a negligent act of a school official.
- To the extent that the legislation deters litigation against schools and educators, there could be a decrease in expenditures from the Tennessee Educator Liability Fund as well as a decrease in local expenditures. However, due to unknown factors such as the number of possible cases that will arise, as well as the scope and extent of the litigation, and the timing of any such litigation; the extent and timing of any such impacts resulting from this legislation cannot reasonably be determined.
- Any impact on the court system can be handled within existing resources.
- Any increase in fine revenue is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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